THE HON'BLE SRI JUSTICE V.ESWARAIAH

WRIT PETITION No.23012 of 2006

Between:

M/s.Unnati Graphics Private Limited.

.. PETITIONER

and

The General Manager and another.

.. RESPONDENTS

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THE HON'BLE SRI JUSTICE V.ESWARAIAH

WRIT PETITION No.23012 of 2006

ORDER:

This writ petition has not at all been admitted. However, on 05-02-2007, the petitioner was asked to come out with definite proposal explaining the manner and method in paying the outstanding amount. Thereafter, the matter underwent several adjournments. On 20-07-2007, when the matter was taken up for hearing, there was no representation on behalf of the petitioner and, therefore, the matter was directed to be listed under the caption "for dismissal". Today, though the matter is listed under the caption "for dismissal", none appeared on behalf of the petitioner.

This writ petition is filed seeking a Writ of Mandamus declaring the action of the respondents in seizing the unit of the petitioner on 30-10-2006 without issuing any notice as illegal and arbitrary.

A counter has been filed stating that the Corporation sanctioned a term loan of Rs.56.00 lakhs during March, 2001 to the petitioner. Later on, the petitioner availed an additional term loan of Rs.174.78 lakhs during February, 2003 and working capital term loan of Rs.18.00 lakhs during May, 2003. Thus, the total loan advanced to the petitioner works out to Rs.248.78 lakhs. It is stated that the petitioner paid a sum of Rs.104.00 lakhs towards three loans. Out of the said amount, only Rs.14.97 lakhs was adjusted towards principal and the remaining amount was credited towards interest. The petitioner issued cheque for a sum of Rs.36.42 lakhs in March, 2006. But, however, the said cheque was dishonoured. The total accumulated arrears as on 31-10-2006 are Rs.100.06 lakhs i.e., Rs.28.53 lakhs towards principal and Rs.71.53 lakhs towards interest. As the petitioner failed to repay the loan amount, the proceedings have been initiated under Section 29 of the State Financial Corporations Act, 1951, to recover the outstanding amount due

from the petitioner.

The learned counsel appearing for the respondents submits that in fact the said seized property has already been auctioned and the auction purchaser has deposited the amount on 19-06-2007 itself. Therefore, the subject matter of this writ petition has become infructuous.

Accordingly, the writ petition is dismissed as infructuous. There shall be no order as to costs.

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27-07-2007

Prv